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Ex-senior bank executive guilty of bribery over loan applications

13/08/2011

A former senior executive of a bank, charged by the ICAC, was today (Saturday) convicted at the District Court of accepting bribes totalling HK\$2.5 million, five bottles of red wine and a precious watch in relation to loan applications, and handling the crime proceeds.

Chan Yick-yiu, 44, former Head of Real Estate and Finance of Industrial and Commercial Bank of China (Asia) Limited (ICBC (Asia)), was found guilty of nine charges - four of agent accepting an advantage, contrary to Section 9(1)(a) of the Prevention of Bribery Ordinance; and five of dealing with property known or believed to represent proceeds of an indictable offence.

In convicting the defendant, Deputy Judge Fred Sham Siu-man said he was satisfied that the prosecution had proved beyond reasonable doubt each and every charge against Chan Yick-yiu.

Deputy Judge Sham said: "I find as a fact that while Chan Yick-yiu was still working for ICBC (Asia), Chan Yick-yiu and Zeng Wei reached the agreement or understanding of deferred rewards that Chan Yick-yiu would be rewarded later for what he did in the loan matter."

Deputy Judge Sham adjourned the case until 2:30 pm next Tuesday (August 16) for mitigation and sentence, and remanded Chan Yick-yiu in the custody of the Correctional Services Department.

The court heard that at the material times, Chan Yick-yiu was the Head of Real Estate and Finance of ICBC (Asia). He was responsible for processing loan applications from corporate clients and subsequent applications for extending the repayment due dates.

Zeng was engaged in developing properties and operating hotels and golf courses. He also operated Kostar Investments Limited (Kostar) and Shine City International Limited (Shine City).

On August 3, 2006 and March 1, 2007, Zeng applied for two loans of US\$65 million and HK\$200 million respectively with ICBC (Asia) for Kostar. On October 2, 2007, Zeng applied for a loan of HK\$2 billion with ICBC (Asia) for Shine City.

The loans were subsequently approved by the management of ICBC (Asia), pursuant to favourable credit proposals endorsed by Derick Chan Po-fui, then Head of Corporate Banking Department of ICBC (Asia), and Chan Yick-yiu. Derick Chan was the direct supervisor of Chan Yick-yiu.

The court heard that Zeng applied for extending the repayment due dates of the two loans for Kostar on six occasions. Three of the applications were endorsed by Derick Chan and Chan Yick-yiu, while the three others were endorsed either by Derick Chan or Chan Yick-yiu.

Subsequently, Chan Yick-yiu, on separate occasions, accepted five bottles of red wine worth HK\$14,500, a watch worth HK\$33,000, two sums of HK\$500,000 and HK\$2 million in cash from Zeng as rewards for the assistance rendered by him in relation to the loan applications to Kostar and Shine City.

After accepting the bribe monies from Zeng, Chan Yick-yiu deposited part of them into his personal accounts with five banks, with amounts ranging from HK\$10,000 to HK\$70,000 on various occasions, the court was told.

Co-defendant Derick Chan, 51, earlier pleaded guilty to two counts of accepting HK\$1 million and HK\$2.3 million in bribes respectively from Zeng. He will be sentenced at the District Court next Friday (August 19).

Zeng, 48, who was also charged by the ICAC, failed to turn up on July 4 for a trial on three counts of offering HK\$4.3 million and a gift to Derick Chan and Chan Yick-yiu and one of conspiracy to deal with HK\$2.3 million in crime proceeds. A warrant was issued by the District Court for his arrest.

The prosecution was today represented by prosecuting counsel Peter Callaghan, assisted by ICAC officers Bryan Tang and Steven Gaw.

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